

To: Michigan House of Representatives — House Oversight Committee

From: Neil A. MacVicar, Vice President¹
MHA Unemployment Compensation Program
Michigan Health & Hospital Association

Date: October 26, 2017

Re: House Bill 5165 — Employer Comments Regarding Identity Theft Unemployment Claims

I appreciate the opportunity to provide comments concerning House Bill 5165.

My comments are made on behalf of the hospitals and other healthcare employers represented by the Michigan Health & Hospital Association's Unemployment Compensation Program [MHA-UCP]. Our program represents over 250 healthcare employers throughout Michigan.²

The workgroup chaired by Representatives Graves and Hertel focused on improvements to the current unemployment compensation system — improvements that positively affect claimants, employers and Michigan's overall workforce. Collectively and individually, the members of the workgroup were diligent, passionate and thorough in accomplishing this endeavor.

I would like to offer comments about the identity theft claims that are being filed in Michigan by imposters. This topic is covered by House Bill 5165.

Identity theft claims have been a persistent and serious problem in Michigan for several years. In CY 2016, we processed approximately 7,000 unemployment claims on behalf of hospitals and their employees. 18% of those claims — totaling 1,300 — were filed by imposters and were identity theft claims. So far this current calendar year, we have handled approximately 6,000 claims. 22% — or 1,300 — were filed by imposters. Again, this is a real and serious problem for Michigan's employers and the overall workforce.

I understand and appreciate that the Agency is trying to stop these types of claims, but more substantive action needs to be taken to protect employers and their affected employees.

¹ Contact Information: Office: (517) 886-8331; Cell (517) 749-2283; Email: nmacvicar@mha.org

² The healthcare employers represented by the MHA-UCP include hospitals, healthcare systems, nursing care facilities, rehabilitation centers, hospice care organizations, home health care groups, physician clinics, and healthcare insurers.

House Bill 5165 offers enhanced protections for employers and the innocent employees who have identity theft claims filed under their name and social security number. The protections include the following — which are not being done today:

- Upon notice of an identity theft claim — from the employer or the affected employee — no benefits will be paid to an imposter without a thorough investigation by the Unemployment Agency.
- Employers and the affected employees will promptly receive a formal determination or decision from the Unemployment Agency declaring the claim to be an act of identity theft and hold that the claim is null and void.
- Employers will promptly receive credit for any improperly paid benefits to imposters.
- Finally, there are some accountability measures for the Unemployment Agency:
 - The Agency will be required to submit an annual report to the legislature on the status of identity theft claims; and,
 - The director of the Agency will appoint an individual to ensure compliance with all the requirements of House Bill 5165.

Each of the provisions within House Bill 5165 are important protections for Michigan employers and the innocent employees who are impacted by identity theft unemployment claims.

Thank you for considering my comments.